fear of some chain of circumstances arising in which only gold would be taken in payment for commodities. On the whole, I am inclined to think that the power of gold as a desirable commodity merely because it is believed to be always acceptable has not been appreciably shaken by the events of the war.

This does not alter the fact that, as has been shown above, gold, complicated by the paper which has been based upon it, cannot claim to have risen to full perfection as a standard of value. In primitive times the question of the standard of value hardly arises. Transactions are for the most part carried out and concluded at once, and any seller who takes a piece of metal in payment for his goods does so with the rough knowledge of what that piece of metal will buy for him at the moment, and that is the only point which concerns him. The standard of value only becomes important when under settled conditions of society long-term contracts bulk large in economic transactions. A man who makes an investment which entitles him to 5 per cent, interest, and repayment in 30 years' time, begins to be very seriously interested in the question of what command over commodities his annual income of 5 per cent, will give him, and whether the repayment of his money at the end of 30 years will represent the repayment

of anything
like the same amount of buying power as his money
now possesses. It is here, of course, that gold has
failed because, as we have seen, the process has
been a fairly steady one of depreciation in the buying